

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC TREATED SEWAGE)	CASE NO.
ADJUSTMENT FILING OF JESSAMINE-SOUTH)	2017-00274
ELKHORN WATER DISTRICT)	

ORDER

On July 24, 2017, Jessamine-South Elkhorn Water District (“Jessamine”) applied for approval to adjust its rates pursuant to the treated sewage adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Lexington-Fayette Urban County Government (“LFUCG”) agreed by contract dated January 3, 2003, to treat sewage generated by Jessamine’s sewer service customers in a designated service area. Pursuant to the contract, sewer user fees are calculated based upon the monthly water use of each of Jessamine’s sewer service customers to which LFUCG provides sewage treatment.

2. LFUCG notified Jessamine that LFUCG’s wholesale sewage treatment rate would increase from \$5.84 per 100 cubic feet to \$5.97 per 100 cubic feet effective July 1, 2017.² Jessamine proposed to increase the sewage rates to its customers effective August 5, 2017, to reflect the increased cost of sewage treatment service from LFUCG.

¹ KRS 278.015; 807 KAR 5:075.

² TFS 2017-00277 (Ky. PSC filed May 19, 2017); the tariff was accepted for filing by the Commission by letter dated June 30, 2017.

3. Jessamine proposed a treated sewage adjustment factor of \$0.18 per 1,000 gallons.

4. During the 12 months ended May 31, 2017, Jessamine's sewer customers receiving service from LFUCG used 7,791,171.12 cubic feet of water (58,277,960 gallons of water). The increase in the cost of treated sewage is \$10,128.52, resulting in a treated sewage adjustment factor of \$0.18 per 1,000 gallons.³

5. The treated sewage adjustment factor of \$0.18 per 1,000 gallons, as calculated in Appendix A to this Order, permits Jessamine to pass through the increase in its wholesale rates from LFUCG, is fair, just and reasonable, and should be approved.

6. Jessamine's proposed rates should be approved.

7. The rates as set forth in Appendix B to this Order are fair, just and reasonable and should be approved for sewer service rendered by Jessamine on and after August 5, 2017.

IT IS THEREFORE ORDERED that:

1. The treated sewage adjustment factor of \$0.18 per 1,000 gallons is approved.

2. Jessamine's proposed rates are approved.

3. The rates as set forth in Appendix B to this Order are approved for sewer service rendered on and after August 5, 2017.

³ Jessamine's rates are calculated per 1,000 gallons. The treated sewage adjustment factor of \$0.13 per 100 cubic feet converts to a per-1000-gallons adjustment factor of \$0.18 ($\$0.13 \text{ per } 100 \text{ cubic feet} / .748 = \$0.18 \text{ per } 1,000 \text{ gallons}$).

4. Within 20 days of the date of this Order, Jessamine shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates approved herein.

By the Commission

ENTERED
AUG 14 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Acting Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2017-00274 DATED **AUG 14 2017**

	New Rate	Base Rate
Jessamine LFUCG Water consumption cubic feet	7,791,171.1	7,791,171.1
Volumetric rate	<u>\$ 5.84/100</u>	<u>\$ 5.21/100</u>
	\$ 465,132.92	\$ 455,004.39
Increased treated sewage cost		\$ 10,128.52
Increased cost		\$ 10,128.52
Divided by cubic feet of water sold/100		<u>7,791,171.1</u>
		\$0.13 per 100 cubic feet
		or \$0.173 per 1,000 gallons
		\$0.18 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2017-00274 DATED **AUG 14 2017**

The following rates and charges are prescribed for the customers in the area served by Jessamine-South Elkhorn Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Sewer Rates

First	2,000 Gallons	\$23.96 Minimum Bill
Over	2,000 Gallons	11.98 per 1,000 Gallons

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